



CITY OF NEWPORT BEACH

ECONOMIC DEVELOPMENT COMMITTEE

AGENDA

MEETING DATE:

Wednesday, September 20, 2006

TIME:

8:00-9:00 A.M. *Please arrive 5 min. prior*

PLACE:

City of Newport Beach Council

Chambers

Roll Call and Introductions

CONSENT CALENDAR

(All matters listed under CONSENT CALENDAR are considered to be routine and will all be approved by one motion in the form listed below. The EDC members have received detailed staff reports on each of the items recommending an action. There will be no separate discussion of these items prior to the time the Committee votes on the motion unless members of the Committee, staff, or the public request specific items to be discussed and/or removed from the Consent Calendar for separate action.)

1. Approval of Minutes of August 16, 2006 (*Attachment*)
2. Progress Report (*Attachment*)

ITEMS REMOVED FROM THE CONSENT CALENDAR

DISCUSSION ITEMS

1. Strategic Plan for Fiscal & Economic Sustainability – Overview and Approach (*Attached*)
(*Attached*)
2. EQAC Representative's Report

ITEMS FOR A FUTURE AGENDA

PUBLIC COMMENTS

ADJOURNMENT

**NEXT EXECUTIVE COMMITTEE MEETING: Wednesday, October 4, 2006
8:00 A.M. – NEWPORT BEACH CHAMBER OF COMMERCE**

**NEXT REGULAR MEETING: Wednesday, October 18, 2006
8:00-9:00 A.M. – CITY COUNCIL CHAMBERS**

BID ADMINISTRATION

BID Administration and Coordination	BIDs/Consultant Trimble	BID billings went out. Matching funds to BIDs processed.	Revisions to BID By-laws. Ongoing support for BID activities.	Ongoing.	
Balboa Village BID	Trimble	Construction complete on Phase III. Pump station ongoing. September meeting held 9/12.	Annual BID meeting 10/2006.	Ongoing.	
Corona del Mar BID	Berger	August meeting held 8/24.	Next BID meeting 9/28	Ongoing.	Discussion of add'l. median landscape improvements
Marine Avenue BID	Berger	August meeting cancelled.	Next BID meeting 9/21.	Ongoing.	
Restaurant Association BID	Trimble	Approved contract with CMC for Restaurant Week marketing.	Planning continues for Restaurant Week 2007. Next BID meeting 10/4.	Ongoing.	Restaurant Week in January 2007.

COMMUNITY DEVELOPMENT ADMINISTRATION

CDBG Administration	Trimble/Consultant	Draft CAPER completed. Final FY06 drawdown submitted.	Revisions to FY2007 Action Plan being processed.	Ongoing.	Monitoring of sub-recipients ongoing.
Housing Administration	Trimble/B. Nichols Consultant	Monitoring existing affordable housing units resulted in return of a number of units to affordable status.	Searching for new affordable housing sites.	Ongoing.	Staff continues to coordinate with County agencies and respond to public inquiries regarding affordable housing.

Balboa Peninsula

Balboa Village Streetscape – Phase III	Stein/Trimble	Balboa Inn expansion started 09/2004. OCSD pump station construction nearly complete. Phase III & methane capture projects complete.	Removal of utility poles as property owners complete hook ups on private property.	August 2006	
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CORONA del MAR

Corona del Mar Vision Plan	Berger	Phase 2 median improvement project discussions with PW Dept.	Laser crosswalk to be implemented.		Next element now to be Phase 2 median improvements. Pedestrian street lights now after that.
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MARINE AVENUE

Marine Avenue Public Improvements Plan	Berger	None	None at present time.	All planned phases complete.	Park Avenue Bridge seismic retrofit / replacement project on hold. Sidewalk replacement to be discussed.
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MARINER'S MILE

Mariner's Mile BOA	Murrel/Berger	Meeting held 9/13.	Next meeting to be held 10/11.	Ongoing.	MMBOA interested in continuation of MVPIP improvements and planning; extension of palm trees toward both bridges; relinquishment of PCH through MM; and waterfront boardwalk.
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EDC ACTIVITIES					
Attraction and Retention	EDC staff	Newport Lexus project ongoing. Sterling BMW plans being shepherded. Land Rover project underway. Lamborghini dealership in discussion.	Lexus Grand Opening scheduled for October 12.	Ongoing.	Continuing discussions w/auto dealers
Strategic Planning	Subcommittee / Wood/Berger	ED Strategic Plan subcommittee meeting held 9/06.	ED Strategic Plan draft under discussion by Subcommittee.	Ongoing, as part of GPU process.	
Image Enhancement & Marketing	Subcommittee / Berger	Wayfinding & Directional Signage Program approved by Council on 9/12.	Staff implementation committee to be formed to review detailed installation locations and schedule prioritized locations.		Installation approved as part of FY '06-'07 and '07-'08 CIP budgets.
Hotels	Subcommittee Wood/Trimble				Marriott hotel project not in compliance with TCO...

MEMORANDUM

To: The Economic Development Committee

From: The Draft Sub-committee of the EDC, Mike Henn, Chairman

Date: September 15, 2006

Re: Draft Strategic Plan for Fiscal and Economic Sustainability

Attached is the draft Strategic Plan for Fiscal and Economic Sustainability. This draft reflects the substantial revisions recommended by the Sub-committee charged with re-drafting the original version.

The attached draft reflects the Sub-committee's desire to achieve the following goals with the Plan:

- Shorten, simplify and re-format the document to make it more readable and useful for a wide variety of audiences and purposes.
- Produce a document that is actionable. Toward that end, the Sub-committee felt that the document should meet the following tests:
 - A presentation hierarchy of Goals, Objectives and Action Plans
 - Clear, concise language
 - Specificity as to what is to be achieved, and by what date

Goals are general statements of the desired end result. Objectives are the major strategies by which the Goals are to be achieved. Action plans are the specific steps necessary to achieve the Objectives.

This document only attempts to set forth the Goals and Objectives. The intent is that, once general agreement on those items is achieved with the EDC and the City Council, staff will then be tasked to prepare specific Action Plans. For now, all dates in the Plan are tentative and subject to reconsideration and finalization after staff has vetted the Action Plans against resource priorities and availability. The draft complete Plan will then be subject to final review and adoption by the City Council.

The objectives for the EDC meeting of September 20, 2006, relative to the Plan are as follows:

1. Receive a brief overview of the Plan from me in my capacity as Chairman of the Sub-committee, with assistance of other sub-committee members
2. Discuss initial impressions and high level reactions to the content.
3. Discuss and agree upon the process and timing for finalization of the Plan.

The EDC Executive Committee felt that the following process would be appropriate, subject to approval of the full Committee:

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|--------------------------------------------------------------------------------|---------------------------------------------------------------|
| 1. Initial discussion. | 9/20/06 |
| 2. Submission of suggested changes. | 9/20/06 to 10/2/06 |
| 3. Finalization of draft Plan by EDC Executive Committee | 10/20/06 regular EDC meeting * |
| 4. Submission to the City Council for consideration at a Council study session | TBD |
| 5. EDC to finalize an initial draft in light of City Council guidance | TBD |
| 6. Staff to prepare Action Plans and vet the target dates. | TBD |
| EDC to finalize and submit final draft to City Council for review and approval | TBD |
| 7. Final approval by City Council | As soon as possible after adoption of the General Plan Update |

* Or as soon thereafter as practicable

As to step 2, EDC members are asked to submit all changes in the form of an email or fax to Mike Henn: mfhenn@verizon.net, fax, 949.723.6301.

Respectfully Submitted,

Mike Henn

CITY OF NEWPORT BEACH

DRAFT

STRATEGIC PLAN FOR FISCAL AND
ECONOMIC SUSTAINABILITY

September, 2006

THE ORIGINAL DRAFT HAD SOME GOOD BACKGROUND MATERIAL THAT CONNECTED THE ORIGINAL VISIONING PROCESS TO THE PRODUCTION OF THIS PLAN. THAT MATERIAL WILL BE RE-WRITTEN AND INSERTED AS A PRE-AMBLE TO THE FOLLOWING MATERIAL.

CITY OF NEWPORT BEACH STRATEGIC PLAN FOR FISCAL AND ECONOMIC SUSTAINABILITY

INTRODUCTION

The Economic Strategic Plan is designed to serve as a work program for the City Council, City staff, the City Economic Development Committee (EDC) and other civic leaders to promote and sustain economic vitality in Newport Beach. It is intended, in part, as a companion document for the General Plan, to assist the City in implementing portions of the General Plan that affect economic development in the City. Beyond City land use and development policy, however, the Economic Development Strategic Plan includes activities to enhance the business climate in the community.

The Economic Strategic Plan focuses on a shorter time frame than does the General Plan, since economic conditions and priorities can change more rapidly than do planning goals related to community character and land use patterns. The work program included here contemplates at most a five-year time horizon, it is assumed that annual reviews of progress and re-assessments of priorities will be undertaken as a prelude to the City's annual budget process.

VISION

Newport Beach shall maintain and enhance its local economy, a high quality of life, economic opportunities for its citizens and the sustained fiscal health of the City, while respecting and supporting the residential and waterfront character of the community and its natural resources and amenities.

ROLE OF THE CITY

An important purpose of this plan is to help focus limited City resources on activities that are most cost-effective and address squarely the City's priorities for economic development. The private sector is the primary engine for economic progress in Newport Beach. The City is fortunate to enjoy sustained periods of relative prosperity during which little government involvement is warranted beyond providing clear land use policies and an efficient, predictable entitlement process. It is also important for the City to sustain economic and fiscal health throughout the ups and downs of the business cycle.

Typically, cities can play a role in several areas to support economic development, as follows:

Land Use and Development Policy

The City's main effort recently has been to update the General Plan, and the implementation of new land use and development policies in various areas of town will have a significant impact in supporting economic development.

Infrastructure

Regarding infrastructure, the City has made strategic investments in public improvements, such as the streetscape work in the Balboa Village, Corona del Mar, Marine Avenue and Mariner's Mile commercial districts, but in general it has only limited resources to invest in new infrastructure. The City must instead focus on implementing policies to ensure that new development pays for new infrastructure and that the fiscal balance of the developing land use mix can sustain the City's ability to operate and maintain the existing infrastructure. To the extent the City can address infrastructure improvements, improvements in circulation and parking facilities it will benefit the economic growth of the community most.

Incentives

The City can offer incentives to development in terms of more intense development entitlements or other design standard flexibility, shared parking opportunities, in-lieu parking fees, tax-exempt financing, and sales tax sharing. These kinds of incentives can improve the market feasibility of desired kinds of improvement in the economic environment without necessarily requiring expenditures of existing public funds.

GOALS, OBJECTIVES AND ACTION PLANS

Goal 1: The City shall facilitate the revitalization of older commercial areas

Objective 1.a - Improve the business mix of older commercial districts through improvement in the quality, breadth and sales tax generation of such areas, taken as a whole by [December, 2011]. Identified areas include Balboa Village and other Balboa Peninsula commercial districts, as well as the Marine Avenue, Old Newport Boulevard and West Newport.

Action 1 –

Objective 1b- Mixed Use Development: The City shall adopt flexible zoning regulations to implement General Plan mixed use development policies in the commercial districts by [December 2007].

Objective 1c – Parking Facilities: In cooperation with merchants and commercial property owners, the City shall establish a plan to facilitate the improvement of parking in specified areas by [December 2007]. The City may use various mechanisms to facilitate this, e.g., public/private partnerships, tax exempt financing, parking management districts and/or in-lieu fees.

Objective 1d – Improvement Plans: The City shall continue to support, and participate in as appropriate, efforts of Business Improvement Districts (BIDs) and other business and/or property owner groups to complete improvements and other voluntary business support activities within their areas.

Objective 1e –Campus Tract: With its proximity to the John Wayne Airport and the potential availability of larger sites, the City shall focus its initial planning efforts through [December 2008] on opportunities for the Campus Tract area, including expansion of auto sales, service and rental operations, as well as other commercial services in support of new residential or mixed use development

Goal 2: The City shall support business efforts to optimize retail sales capture in the community.

- Objective 2a - Commercial Zoning: The City shall adopt flexible zoning in support of General Plan policies for commercial development by [December 2007].
- Objective 2b - Newport Center: The City shall facilitate efforts by Fashion Island and Newport Center to evolve their design and retail mix to capture maximum retail sales.
- Objective 2c - Airport Area: The City shall encourage and facilitate the development of attractive retail and commercial uses that maximize retail sales capture in the Airport Area, commensurate with new General Plan land use designations and policies related to mixed use and residential development.
- Objective 2d - Leading Indicators: The City shall improve its ability to track retail trends in the City by contracting for a more comprehensive sale tax audit service and by providing regular reports to the City Council and the EDC on sales tax performance by sub-area and business type within the City by [July, 2007].

Goal 3: The City shall facilitate the development, attraction and retention of a variety of businesses that strengthen the vitality of the local economy, particularly businesses that capitalize on market and demographic changes and opportunities that emerge in key economic centers of the community.

- Objective 3a - Master Plan for the West Newport Mesa Area: By [December 2008], work with property owners to develop a master plan for properties that are related to and support Hoag Hospital including medical, medical-supporting, commercial, residential and industrial uses.
- Objective 3b- Flexible Zoning: By [December 2007], the City shall implement zoning code reform to increase the definition of non-residential uses and to create flexibility in its zoning code to allow projects representing innovative market or development opportunities to proceed with fewer restrictions.
- Objective 3c - Business Assistance Clearinghouse: The City shall coordinate with the Chamber of Commerce to establish a business assistance clearinghouse and business outreach program to help facilitate new business ventures and business expansions in Newport Beach by [September, 2007].

Objective 3d - Leading Indicators: The City shall provide annual reports (beginning with a report for the fiscal year ending June 30, 2007) on business establishments and employment changes by detailed business types to the City Council and the EDC for the purpose of tracking business development trends in the City.

Goal 4: The City shall facilitate an economically viable concentration of marine uses, and enhance the maritime viability of Newport Harbor.

Objective 4a – Water Dependent Marine Businesses: The City shall implement land use and related zoning regulations by December 31, 2007 to encourage preservation of existing water dependent marine business uses, and provide for expanded frontage for such uses as re-development occurs over time.

Objective 4b – Non-water Dependent Marine Businesses: The City shall implement land use and related zoning regulations by [June, 2008] to provide for the preservation of existing non-water dependent marine businesses in the West Newport Mesa area, as well as development of incentives by [July, 2008] to facilitate the re-location of such businesses to that area from economically unsustainable water front locations.

Objective 4c – The City shall implement a plan to provide for the dredging of the lower Newport Bay necessary to allow for the navigation of larger power and sail boats by December 2011, working with the federal Government, the Army Corps of Engineers and other appropriate governmental agencies.

Objective 4d – Regulatory Compliance: As part of its business assistance clearing house program, the City shall establish by December 2007 a program for assisting water-dependent businesses with information to aid in complying with state and federal regulations pertaining to air and water quality, among others.

Goal 5: The City will enhance the visitor boating services of Newport Harbor.

Objective 5a The City will develop at least [100] additional guest boat slips by [June 1, 2009]

Objective 5b The City will invite proposals for the implementation of a privately owned and operated summer water taxi service by [July 1, 2007].

- Objective 5c Where feasible, the City will develop enlarged dingy docks at the Balboa Village area, Balboa Island area, Marina Park and the Mariner's mile area by [June 1, 2009].
- Objective 5d The City will review its dingy docking regulations to provide docking spaces for temporary docking time of up to three hours by [June 1, 2008].
- Objective 5e The City will develop a policy by [December 2007] that allows visiting boaters to leave their boats un-attended at anchor for some period of time.

Goal 6: The City shall support the careful expansion of visitor-serving businesses and facilities

- Objective 6a - Small Scale Lodging: The City shall identify by [December 2007] an economically feasible program for encouraging the development of small scale lodging and bed and breakfast establishments in Newport Beach, including incentives to encourage such development consistent with the General Plan policies.
- Objective 6b - Vacation Rentals: The City shall review and revise its existing policies governing vacation rentals by [December 2007] to acknowledge and enhance the economic benefit to the City of such establishments and recommend by [December, 2007] a program to maintain and enhance the quality level of them.
- Objective 6c – Marketing and Promotion: The City shall continue its strong relationship with the Newport Beach Conference and Visitors Bureau to enhance the effectiveness of marketing and promotion undertaken by the City and the Bureau.

Goal 7: The City will seek to minimize the economic impact of traffic congestion and will take affirmative steps to improve traffic flow

- Objective 7a Develop and implement by [December, 2010] a master plan to modernize traffic control systems and technology throughout the City.

- Objective 7b By [June, 2007], the City will improve synchronization of traffic signals and improve traffic flow along the Mariner's Mile, Newport Boulevard from 15th Street to the 55 Freeway in Costa Mesa (working cooperatively with that City) and on Balboa Peninsula along Newport Boulevard from Main Street to Pacific Coast Highway, as well as other congested roadways and intersections
- Objective 7c In conjunction with its approved capital plan and annual budgeting process, the City will implement key roadway and intersection improvements identified in the General Plan Update by [December 2012].
- Objective 7d The City will strongly advocate the construction of the 19th Street Bridge in Costa Mesa, and other critical regional traffic improvements.

Goal 8: The City will administer its development review and permitting processes in an efficient, solution oriented and customer friendly manner.

Objective 8a The City will implement the recommendations of the Evaluation of the Development Review and Plan Checking Processes, dated July 2006, including the following:

1. Increased inter-departmental coordination
2. Use of project managers with primary responsibility for major projects
3. Full use of Permits Plus and/or other database systems
4. Established performance standards for project review
5. Adequate staffing to meet performance standards and serve the public counter
6. Availability of up-to-date public information materials on application requirements and processes
7. Standardization of plan check correction checklists to the maximum extent possible
8. Increased quality control for outside plan check services

Objective 8b Staff will provide for enhanced communication with applicants, both earlier and more consistently throughout the process by [insert date].

Objective 8c The City will assure that staff receives receive regular training on maintaining a high quality of customer service and positive attitude

Objective 8d: The City will implement changes in the Zoning ordinance and other regulatory codes to make the process more streamlined by [December, 2007].